

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Sections 223 and 704A as follows:

6 (35 ILCS 5/223)

7 Sec. 223. Hospital credit.

8 (a) For tax years ending on or after December 31, 2012, a
9 taxpayer that is the owner of a hospital licensed under the
10 Hospital Licensing Act, but not including an organization that
11 is exempt from federal income taxes under the Internal Revenue
12 Code, is entitled to a credit against the taxes imposed under
13 subsections (a) and (b) of Section 201 of this Act or the
14 payments due under Section 704A of this Act in an amount equal
15 to the lesser of the amount of real property taxes paid during
16 the tax year on real property used for hospital purposes during
17 the prior tax year or the cost of free or discounted services
18 provided during the tax year pursuant to the hospital's
19 charitable financial assistance policy, measured at cost.

20 (b) If the taxpayer is a partnership or Subchapter S
21 corporation, the credit is allowed to the partners or
22 shareholders in accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and

1 Subchapter S of the Internal Revenue Code. A transfer of this
2 credit may be made by the taxpayer earning the credit within
3 one year after the credit is earned in accordance with rules
4 adopted by the Department. The Department shall prescribe rules
5 to enforce and administer provisions of this Section. If the
6 amount of the credit exceeds the tax liability for the year,
7 then the excess credit may be carried forward and applied to
8 the tax liability of the 5 taxable years following the excess
9 credit year. The credit shall be applied to the earliest year
10 for which there is a tax liability. If there are credits from
11 more than one tax year that are available to offset a
12 liability, the earlier credit shall be applied first. In no
13 event shall a credit under this Section reduce the taxpayer's
14 liability to less than zero.

15 (Source: P.A. 97-688, eff. 6-14-12.)

16 (35 ILCS 5/704A)

17 Sec. 704A. Employer's return and payment of tax withheld.

18 (a) In general, every employer who deducts and withholds or
19 is required to deduct and withhold tax under this Act on or
20 after January 1, 2008 shall make those payments and returns as
21 provided in this Section.

22 (b) Returns. Every employer shall, in the form and manner
23 required by the Department, make returns with respect to taxes
24 withheld or required to be withheld under this Article 7 for
25 each quarter beginning on or after January 1, 2008, on or

1 before the last day of the first month following the close of
2 that quarter.

3 (c) Payments. With respect to amounts withheld or required
4 to be withheld on or after January 1, 2008:

5 (1) Semi-weekly payments. For each calendar year, each
6 employer who withheld or was required to withhold more than
7 \$12,000 during the one-year period ending on June 30 of the
8 immediately preceding calendar year, payment must be made:

9 (A) on or before each Friday of the calendar year,
10 for taxes withheld or required to be withheld on the
11 immediately preceding Saturday, Sunday, Monday, or
12 Tuesday;

13 (B) on or before each Wednesday of the calendar
14 year, for taxes withheld or required to be withheld on
15 the immediately preceding Wednesday, Thursday, or
16 Friday.

17 Beginning with calendar year 2011, payments made under
18 this paragraph (1) of subsection (c) must be made by
19 electronic funds transfer.

20 (2) Semi-weekly payments. Any employer who withholds
21 or is required to withhold more than \$12,000 in any quarter
22 of a calendar year is required to make payments on the
23 dates set forth under item (1) of this subsection (c) for
24 each remaining quarter of that calendar year and for the
25 subsequent calendar year.

26 (3) Monthly payments. Each employer, other than an

1 employer described in items (1) or (2) of this subsection,
2 shall pay to the Department, on or before the 15th day of
3 each month the taxes withheld or required to be withheld
4 during the immediately preceding month.

5 (4) Payments with returns. Each employer shall pay to
6 the Department, on or before the due date for each return
7 required to be filed under this Section, any tax withheld
8 or required to be withheld during the period for which the
9 return is due and not previously paid to the Department.

10 (d) Regulatory authority. The Department may, by rule:

11 (1) Permit employers, in lieu of the requirements of
12 subsections (b) and (c), to file annual returns due on or
13 before January 31 of the year for taxes withheld or
14 required to be withheld during the previous calendar year
15 and, if the aggregate amounts required to be withheld by
16 the employer under this Article 7 (other than amounts
17 required to be withheld under Section 709.5) do not exceed
18 \$1,000 for the previous calendar year, to pay the taxes
19 required to be shown on each such return no later than the
20 due date for such return.

21 (2) Provide that any payment required to be made under
22 subsection (c)(1) or (c)(2) is deemed to be timely to the
23 extent paid by electronic funds transfer on or before the
24 due date for deposit of federal income taxes withheld from,
25 or federal employment taxes due with respect to, the wages
26 from which the Illinois taxes were withheld.

1 (3) Designate one or more depositories to which payment
2 of taxes required to be withheld under this Article 7 must
3 be paid by some or all employers.

4 (4) Increase the threshold dollar amounts at which
5 employers are required to make semi-weekly payments under
6 subsection (c) (1) or (c) (2).

7 (e) Annual return and payment. Every employer who deducts
8 and withholds or is required to deduct and withhold tax from a
9 person engaged in domestic service employment, as that term is
10 defined in Section 3510 of the Internal Revenue Code, may
11 comply with the requirements of this Section with respect to
12 such employees by filing an annual return and paying the taxes
13 required to be deducted and withheld on or before the 15th day
14 of the fourth month following the close of the employer's
15 taxable year. The Department may allow the employer's return to
16 be submitted with the employer's individual income tax return
17 or to be submitted with a return due from the employer under
18 Section 1400.2 of the Unemployment Insurance Act.

19 (f) Magnetic media and electronic filing. Any W-2 Form
20 that, under the Internal Revenue Code and regulations
21 promulgated thereunder, is required to be submitted to the
22 Internal Revenue Service on magnetic media or electronically
23 must also be submitted to the Department on magnetic media or
24 electronically for Illinois purposes, if required by the
25 Department.

26 (g) For amounts deducted or withheld after December 31,

1 2009, a taxpayer who makes an election under subsection (f) of
2 Section 5-15 of the Economic Development for a Growing Economy
3 Tax Credit Act for a taxable year shall be allowed a credit
4 against payments due under this Section for amounts withheld
5 during the first calendar year beginning after the end of that
6 taxable year equal to the amount of the credit for the
7 incremental income tax attributable to full-time employees of
8 the taxpayer awarded to the taxpayer by the Department of
9 Commerce and Economic Opportunity under the Economic
10 Development for a Growing Economy Tax Credit Act for the
11 taxable year and credits not previously claimed and allowed to
12 be carried forward under Section 211(4) of this Act as provided
13 in subsection (f) of Section 5-15 of the Economic Development
14 for a Growing Economy Tax Credit Act. The credit or credits may
15 not reduce the taxpayer's obligation for any payment due under
16 this Section to less than zero. If the amount of the credit or
17 credits exceeds the total payments due under this Section with
18 respect to amounts withheld during the calendar year, the
19 excess may be carried forward and applied against the
20 taxpayer's liability under this Section in the succeeding
21 calendar years as allowed to be carried forward under paragraph
22 (4) of Section 211 of this Act. The credit or credits shall be
23 applied to the earliest year for which there is a tax
24 liability. If there are credits from more than one taxable year
25 that are available to offset a liability, the earlier credit
26 shall be applied first. Each employer who deducts and withholds

1 or is required to deduct and withhold tax under this Act and
2 who retains income tax withholdings under subsection (f) of
3 Section 5-15 of the Economic Development for a Growing Economy
4 Tax Credit Act must make a return with respect to such taxes
5 and retained amounts in the form and manner that the
6 Department, by rule, requires and pay to the Department or to a
7 depository designated by the Department those withheld taxes
8 not retained by the taxpayer. For purposes of this subsection
9 (g), the term taxpayer shall include taxpayer and members of
10 the taxpayer's unitary business group as defined under
11 paragraph (27) of subsection (a) of Section 1501 of this Act.
12 This Section is exempt from the provisions of Section 250 of
13 this Act.

14 (h) An employer may claim a credit against payments due
15 under this Section for amounts withheld during the first
16 calendar year ending after the date on which a tax credit
17 certificate was issued under Section 35 of the Small Business
18 Job Creation Tax Credit Act. The credit shall be equal to the
19 amount shown on the certificate, but may not reduce the
20 taxpayer's obligation for any payment due under this Section to
21 less than zero. If the amount of the credit exceeds the total
22 payments due under this Section with respect to amounts
23 withheld during the calendar year, the excess may be carried
24 forward and applied against the taxpayer's liability under this
25 Section in the 5 succeeding calendar years. The credit shall be
26 applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one calendar
2 year that are available to offset a liability, the earlier
3 credit shall be applied first. This Section is exempt from the
4 provisions of Section 250 of this Act.

5 (i) A taxpayer may claim a credit against payments due
6 under this Section for amounts withheld during the first
7 calendar year ending after the date on which an Illinois income
8 tax return is filed by the taxpayer as required by Section 502
9 of this Act on which a credit was claimed pursuant to Section
10 223 of this Act. The credit shall be equal to the amount shown
11 on the taxpayer's Illinois income tax return less any amounts
12 claimed as a credit on the return to offset the taxes imposed
13 on the taxpayer under Section (a) and (b) of Section 201 of
14 this Act, but may not reduce the taxpayer's obligation for any
15 payment due under this Section to less than zero. If the amount
16 of the credit exceeds the total payments due under this Section
17 with respect to amounts withheld during the calendar year, the
18 excess may be carried forward and applied against the
19 taxpayer's liability under this Section in the 5 succeeding
20 calendar years. The credit shall be applied to the earliest
21 year for which there is a tax liability. If there are credits
22 from more than one calendar year that are available to offset a
23 liability, the earlier credit shall be applied first. For
24 purposes of this subsection (i), the term taxpayer shall
25 include taxpayer and members of the taxpayer's unitary business
26 group as defined under paragraph (27) of subsection (a) of

1 Section 1501 of this Act. This Section is exempt from the
2 provisions of Section 250 of this Act.

3 (Source: P.A. 96-834, eff. 12-14-09; 96-888, eff. 4-13-10;
4 96-905, eff. 6-4-10; 96-1027, eff. 7-12-10; 97-333, eff.
5 8-12-11; 97-507, eff. 8-23-11.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.